

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 NSC-05 USIE-00 OMB-01 SSO-00 NSCE-00
INRE-00 CIAE-00 PM-05 INR-07 L-03 ACDA-07 NSAE-00
PA-01 SS-15 PRS-01 SP-02 TRSE-00 IO-13 /073 W
-----090875 111124Z /12

R 101632Z AUG 77
FM USMISSION NATO
TO SECSTATE WASHDC IMMEDIATE 5318
SECDEF WASHDC IMMEDIATE
INFO ALL NATO CAPITALS
CINCLANT NORFOLK VA
USLOSACLANT NORFOLK VA
USNMR SHAPE BE
USCINCEUR VAIHINGEN GER
FPA WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 NATO 07697

C O R R E C T E D C O P Y F O R T E X T / A D D I T I O N O F L I N E 4 I N P A R A 5 /

STATE FOR ASSISTANT SECRETARY FOR EUROPEAN AFFAIRS (VEST),
SECDEF FOR ASSISTANT SECRETARY FOR INTERNATIONAL SECURITY
AFFAIRS (MCGIFFERT)

E.O. 11652: GDS
TAGS: MPOL NATO
SUBJECT: NATO DEFENSE INITIATIVES: ADMINISTRATIVE
ARRANGEMENTS

REFS: (A) STATE 187347, 091545Z AUG 77; (B) USNATO 7641,
081716Z AUG 77; (C) USNATO 7477, 031516Z AUG 77.
SUMMARY. WE AGREE THAT COUNCIL SHOULD TAKE NO ACTION
PRE-EMPTING NATO BUDGET COMMITTEES' RESPONSIBILITY FOR
SCREENING AND APPROVING BUDGETS. WE BELIEVE THAT THIS
POINT HAS BEEN MADE ADEQUATELY BY CANADIAN LETTER QUOTED
IN PARA 6 BELOW, AND THAT ADDITIONAL US OBJECTIONS COULD
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SIGNIFICANTLY DELAY THE DEFENSE INITIATIVES. IF DEPART-
MENT AGREES, WE WOULD WRITE PANSA ENDORSING CANADIAN
STATEMENT AND URGING EARLY PRESENTATION OF JUSTIFIED
BUDGETARY REQUEST TO NATO BUDGET COMMITTEES (DRAFT LETTER
IN PARA 8 BELOW). ACTION REQUESTED: DEPARTMENT APPROVAL
OF RECOMMENDED ACTION. END SUMMARY.

1. WE AGREE THAT APPROVAL OF THE BF 15 MILLION ESTIMATE CONTAINED IN PO/77/113 BY THE PERM REPS WOULD ESTABLISH AN UNDESIRABLE PRECEDENT. WE NOTE IN THE PO, HOWEVER, THAT THE SYG DOES NOT REQUEST APPROVAL OF THAT SUM, BUT ONLY AGREEMENT TO USE FUNDS FROM HIS PRESENT BUDGET (APPROVED FOR OTHER PURPOSES) FOR URGENT ACTIONS REQUIRED PRIOR TO FINAL SCREENING AND APPROVAL OF THE REQUEST BY THE MILITARY AND CIVIL BUDGET COMMITTEES. IT IS UNDERSTOOD THAT, SHOULD HE USE SUCH FUNDS AND SHOULD THE COMMITTEES TURN DOWN A REQUEST FOR ADDITIONAL FUNDS, HE WOULD HAVE TO TAKE THE EXPENDITURES "OUT OF HIS HIDE" - THUS IN EFFECT CREATE COMPENSATING REDUCTIONS IN THE APPROVED BUDGETS. WE BELIEVE, THEREFORE, THAT THERE IS NO NEED TO RISK DELAY IN APPROVAL OF THE PO IN ORDER TO ACCOMPLISH US AIMS STATED IN REF A.

2. WE HAVE DISCUSSED THE SYG'S ESTIMATE OF BF 15 MILLION WITH MEMBERS OF THE INTERNATIONAL STAFF WHO ARE CURRENTLY ENGAGED IN JUSTIFYING IT. ON THE CIVIL BUDGET SIDE, PROVISION IS BEING MADE FOR THE ENGAGEMENT OF THE THREE CONSULTANTS REQUIRED BY THE ASG FOR DEFENSE SUPPORT, AS WELL AS FOR THEIR PER DIEMS AND FOR INTERNATIONAL STAFF TRAVEL REQUIRED BY THE LONG-RANGE DEFENSE PROGRAM. WITH ONLY 135 DAYS LEFT IN 1977, THE ESTIMATE FOR COST OF THE CONSULTANTS IS SOME BF 2 MILLION, AND ADDITIONAL TRAVEL COSTS OF ABOUT BF 500,000. INTERNATIONAL STAFF
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PERSONNEL HAVE INFORMED US THAT THE FORECAST OF BF 83 MILLION FOR THE SUPPLEMENTARY CIVIL BUDGET FOR 1977 SHOULD COVER THESE ADDITIONAL COSTS WITHOUT INCREASE. THUS, IN EFFECT, THE XW,8, HAVE POSTPONED SOME OF THE COSTS FORECAST EARLIER IN FAVOR OF THESE NEW COSTS FOR NATO DEFENSE INITIATIVES.

3. WE HAVE ALSO EXAMINED THE MILITARY BUDGET'S MID-YEAR REVIEW AND HAVE DETERMINED THAT REDUCTIONS IN CERTAIN AREAS OF EXPENDITURE WILL ALLOW THE COSTS FOR THE MBC PORTION OF NATO DEFENSE INITIATIVE COSTS TO BE COVERED WITHOUT BREACH OF THE ESTABLISHED FUND CEILING FOR 1977. WE DO NOT FORESEE, THEREFORE, ANY DIFFICULTY ON THE MBC SIDE.

4. WE AGREE THAT THE INTERNATIONAL STAFF HAS BEEN EXTREMELY SLOW IN COMING UP WITH JUSTIFICATION AND FIRM ESTIMATES FOR THEIR ADDITIONAL COSTS RELATED TO DEFENSE INITIATIVES, AND HAVE SOME DOUBT THAT THEY WILL BE READY BY THE TIME OF THE NEXT MBC MEETING ON 24 AUGUST TO THOROUGHLY JUSTIFY THEIR REQUESTS. IN ANY CASE, WE HAVE DETERMINED THAT THERE WILL NOT BE SUFFICIENT MEMBERSHIP

AVAILABLE TO HOLD AN MBC MEETING BEFORE THAT DATE. IT ALSO APPEARS CERTAIN THAT SUFFICIENT CIVIL BUDGET REPRESENTATIVES WILL NOT BE AVAILABLE BEFORE EARLY SEPTEMBER. IN VIEW OF THE STATE OF PREPARATION OF THE ESTIMATES, HOWEVER, THERE IS SOME DOUBT THAT THE COMMITTEES WILL BE ABLE TO TAKE FINAL ACTION BEFORE MID-SEPTEMBER ON THE APPROVAL.

5. IN THE MEANTIME, WE BELIEVE THAT NO ACTION SHOULD BE TAKEN WHICH MIGHT DELAY APPROVAL OF THE SYG'S PROPOSAL TO BE ALLOWED TO SIGN CONTRACTS WITH THE REQUIRED CONSULTANTS, AND TO PERFORM THE NECESSARY TRAVEL PRIOR TO FINAL APPROVAL OF THE BUDGETS. OUR PRINCIPAL CONCERN HAS BEEN

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NSAE-00 PA-01 SS-15 PRS-01 SP-02 TRSE-00 IO-13
/073 W

-----073886 101801Z /41

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OVER DELAY IN TASK FORCE EIGHT (RATIONALIZATION), BUT OUR FEELING IN THIS MATTER IS REINFORCED BY INFORMAL INFORMATION ON THE CONCERNS OF LT GENERAL (RETIRED) HEISER (DIRECTOR OF TASK FORCE NINE) THAT DELAY IN APPOINTMENT OF THE CONSULTANTS FOR TASK FORCE NINE COULD PRECLUDE COMPLETION OF THE WORK IN TIME FOR THE MINISTERS NEXT MAY. WE AGREE, HOWEVER, THAT ALL POSSIBLE ACTION SHOULD BE TAKEN TO EXPEDITE COMPLETION OF THE ESTIMATES AND SCREENING BY THE COMMITTEES.

6. US CONCERNS ARE ECHOED IN A COPY OF A LETTER WE HAVE RECEIVED FROM BACON (CANADIAN ACTING PERM REP) TO ACTING SYG PANSAGREEING TO THE PROCEDURES RECOMMENDED IN PO/77/113. THE CANADIANS ARE NOT ENTIRELY HAPPY WITH THE PO AND CHIDE THE INTERNATIONAL STAFF SOMEWHAT, BUT DO NOT BREAK THE SILENCE PROCEDURE (WE HAVE CONFIRMED THIS INTERPRETATION WITH THE CANADIAN DELEGATION AND WITH THE CONFIDENTIAL

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INTERNATIONAL STAFF). COPY OF THE CANADIAN LETTER IS QUOTED BELOW:

BEGIN TEXT.

RE PO/77/113 DATED AUGUST 2, 1977.

MY AUTHORITIES AGREE IN PRINCIPLE TO THE REQUIREMENT FOR SOME FUNDING FROM THE CIVIL AND MILITARY BUDGETS IN SUPPORT OF THE ADMINISTRATIVE ARRANGEMENTS FOR THE LONG-TERM DEFENSE PROGRAM AND, IF URGENCY JUSTIFIES EXPENDITURE OF SOME FUNDS IMMEDIATELY IN SUPPORT OF TASK FORCE WORK, WE WOULD NOT OBJECT. HOWEVER, PRIOR TO OUR AGREEING TO THE COMMITMENT OF THE PRELIMINARY ESTIMATE OF BF 15 MILLION OUTLINED IN PARA 4 OF THE PO, WE WOULD PREFER TO AWAIT THE RESULTS OF CONSIDERATION BY THE CIVIL AND MILITARY BUDGET COMMITTEES. IN THIS REGARD IT WOULD HAVE BEEN MOST USEFUL IF THESE COMMITTEES HAD BEEN CONSULTED PRIOR TO THE PO HAVING BEEN ISSUED.

END TEXT.

7. FYI. THE FRG DEFAD TOLD US INFORMALLY THAT THE ABOVE CANADIAN LETTER WAS IN LINE WITH HIS DELEGATION'S. RECOMMENDATION TO BONN; I.E., AGREE IN PRINCIPLE, ALLOW APPROVAL OF THE PO BY SILENCE PROCEDURE, BUT INSIST ON BUDGET COMMITTEE REVIEW OF THE DETAILS. BONN HAS AGREED. END FYI.

8. IN SUMMARY, WE BELIEVE THAT THE ABOVE CANADIAN LETTER HAS MADE OUR POINT THAT NO COMMITMENT TO ADDITIONAL FUNDS CAN BE MADE UNTIL THE BUDGET COMMITTEES HAVE SCREENED THE PROPOSAL. WE WOULD SUGGEST, THEREFORE, THAT WE BE AUTHORIZED TO SEND THE FOLLOWING LETTER TO ACTING CONFIDENTIAL

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SYG PANSAG:

BEGIN TEXT.

WE HAVE RECEIVED A COPY OF THE CANADIAN LETTER CONCERNING
PO/77/113 AND AGREE WITH ITS CONTENT. WE BELIEVE, HOWEVER,
THAT EVERY EFFORT SHOULD BE MADE TO CALL MEETINGS OF THE
BUDGET COMMITTEES AT THE EARLIEST POSSIBLE MOMENT IN
ORDER TO COMPLETE THE SCREENING OF THE DETAILED PROPOSALS
AND THUS LIMIT AS MUCH AS POSSIBLE THE EXPENDITURE FOR
ITEMS NOT AS YET APPROVED. WE WOULD EXPECT THAT YOUR
PRESENTATION TO THE CIVIL BUDGET COMMITTEE WILL IDENTIFY
AREAS OF POTENTIAL SAVINGS TO COMPENSATE AS MUCH AS
POSSIBLE THE REQUESTED INCREASES.

END TEXT.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 10-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NATO07697
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: RR
Errors: N/A
Expiration:
Film Number: n/a
Format: TEL
From: NATO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770874/aaaackmg.tel
Line Count: 240
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE
Message ID: 421ea45c-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
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Reference: 77 STATE 187347, 091545Z AUG 77, 77 USNATO 7641, 081716Z AUG 77, 77 USNATO 7477, 031516Z AUG 77.
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05-Apr-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1639048
Secure: OPEN
Status: NATIVE
Subject: NATO DEFENSE INITIATIVES: ADMINISTRATIVE ARRANGEMENTS
TAGS: MPOL, NATO
To: SECSTATE WASHDC WASHDC MULTIPLE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/421ea45c-c288-dd11-92da-001cc4696bcc
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